

THE TEXAS AND PACIFIC RAILWAY COMPANY
C. W. VEITCH

1928

NINETY-SIXTH
ANNUAL REPORT



YEAR ENDED
DECEMBER 31, 1928

STRAWBOARDS

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1928

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ANNUAL REPORT**



**YEAR ENDED
DECEMBER 31, 1928**

DIRECTORS

DECEMBER 31, 1928

PHILIP R. ALLEN, E. Walpole, Mass.	ALDUS C. HIGGINS, Worcester, Mass.
LOUIS M. ATHERTON, Swampscott, Mass.	ERNEST MARTIN HOPKINS, Hanover, N. H.
WALTER C. BAYLIES, Taunton, Mass.	LOUIS K. LIGGETT, Newton, Mass.
FRANK P. CARPENTER, Manchester, N. H.	ROY L. PATRICK, Burlington, Vt.
T. JEFFERSON COOLIDGE, Manchester, Mass.	W. RODMAN PEABODY, Milton, Mass.
WILLIAM DEXTER, Boston, Mass.	THOMAS NELSON PERKINS, Westwood, Mass.
FAIRMAN R. DICK, New York, N. Y.	ROGER PIERCE, Milton, Mass.
HARRY H. DUDLEY, Concord, N. H.	WILLIAM B. SKELTON, Lewiston, Me.
REGINALD FOSTER, Manchester, Mass.	*FRANK D. TRUE, Portland, Me.
GEORGE HANNAUER, Newton, Mass.	JAMES DUNCAN UPHAM, Claremont, N. H.
	WILLIAM D. WOOLSON, Springfield, Vt.

* Died December 21, 1928

OFFICERS

Chairman Executive Committee	THOMAS NELSON PERKINS
President	GEORGE HANNAUER
Clerk of Corporation	ARTHUR B. NICHOLS
Vice-President in charge of Finance	WILLIAM J. HOBBS
Vice-President in charge of Traffic	N. W. HAWKES
General Manager	J. W. SMITH
Comptroller	W. S. TROWBRIDGE
Treasurer	C. N. MARLAND
General Solicitor	A. P. MACKINNON
Chief Engineer	W. J. BACKES
Purchasing Agent	A. W. MUNSTER
Mechanical Superintendent	L. RICHARDSON
Real Estate Agent	E. D. CHAPMAN

Transfer Agent in Boston for all classes of stock, Old Colony Trust Company, 17 Court Street, Boston, Massachusetts.

Transfer Agent in New York for common stock, Guaranty Trust Company, 140 Broadway, New York City.

To the Stockholders of the Boston and Maine Railroad:

The Board of Directors herewith submits its report for the year ended December 31, 1928:

ROAD OPERATED

Steam Mileage operated December 31, 1928—2,080.70, a decrease of 2.84 miles during the year. Of this decrease 2.59 miles is due to reclassification of tracks.

INCOME ACCOUNT—CONDENSED

	1928	Increase or Decrease
Operating Revenues.....	<u>\$76,624,237 91</u>	<u>\$1,224,136 32</u>
Operating Expenses.....	<u>57,429,323 14</u>	<u>4,406,178 44</u>
Net Revenue from Operation	<u>\$19,194,914 77</u>	<u>\$3,182,042 12</u>
Railway Tax Accruals.....	<u>3,946,294 32</u>	<u>373,425 72</u>
Uncollectible Revenues.....	<u>13,243 99</u>	<u>9,837 23</u>
Railway Operating Income.....	<u>\$15,235,376 46</u>	<u>\$2,798,779 17</u>
Equipment and Jt. Fac. Rents—Net Dr.....	<u>2,432,407 11</u>	<u>503,417 36</u>
Net Railway Operating Income.....	<u>\$12,802,969 35</u>	<u>\$3,302,196 53</u>
Other Income.....	<u>1,557,658 70</u>	<u>182,409 89</u>
Total Income.....	<u>\$14,360,628 05</u>	<u>\$3,119,786 64</u>
Deductions:		
Rental Payments.....	<u>\$1,144,003 95</u>	<u>\$4,139 05</u>
Interest on Debt.....	<u>6,642,069 33</u>	<u>34,310 24</u>
Other Deductions.....	<u>137,083 70</u>	<u>25,437 63</u>
Net Income.....	<u>\$6,437,471 07</u>	<u>\$3,064,177 82</u>
Income Applied to Sinking Funds.....	<u>\$158,326 75</u>	<u>\$5,658 52</u>
Dividends	<u>2,907,330 13</u>	<u>11,444 46</u>
Total Appropriations of Net Income.....	<u>\$3,065,656 88</u>	<u>\$17,102 98</u>
Balance	<u>\$3,371,814 19</u>	<u>\$3,047,074 84</u>

Italics indicate decrease.

OPERATING REVENUES

Freight Revenue was \$50,396,980.72, an increase of \$341,555.05, or .68%. Tons of freight carried during the year were 23,270,081, an increase of 8,239.

Passenger Revenue was \$16,988,943.59, a decrease of \$1,437,087.36, or 7.80%. Number of Local and Commutation Passengers carried decreased 2,575,546, or 8.33%. Number of Interline Passengers carried decreased 76,511, or 4.62%.

While passenger revenues declined, the percentage of decrease during 1928 was not as great as during the preceding year.

Passenger business has continued to decline notwithstanding all efforts to check it by improved service and facilities. This condition is not peculiar to our territory, but is general the country over. In 1928 we carried 25,000,000 less passengers than in 1920, a decrease of more than 45%. The greatest losses have been and are in the short-distance riders. The continuously increasing use of the automobile on greatly improved highways is the major factor in the decline. Faster train schedules, notably between Boston and Portland, via the Western Route, where there is now a completely rock-ballasted line, have been a factor in checking the decline.

Mail Revenue increased \$67,233.85.

Express Revenue decreased \$138,591.14, or 2.88%. The falling off in the volume of traffic continued during 1928, although not to the extent recorded in the previous year.

Other Transportation Revenue, including Milk, Switching, etc., increased \$21,710.91.

Incidental Revenue decreased \$78,957.63, or 4.20%, due to decrease in receipts for station and train privileges, demurrage collections, and commissions on Western Union Telegraph.

OPERATING EXPENSES

Expenses for Maintenance of Way and Structures decreased \$801,411.81, due to this class of expense having been abnormally high in 1927 account of the floods.

Expenses for Maintenance of Equipment decreased \$1,483,704.08. This is particularly gratifying when it is considered that during 1928 charges to equipment maintenance accounts in connection with the retirement of 59 locomotives, 2,528 freight cars, 163 passenger cars, and 221 work cars aggregated \$1,503,434, an increase over the preceding year of \$634,894. The condition of the equipment at the end of 1928 was better than at the end of the preceding year.

Traffic Expenses increased \$56,922.05, due to a continued extension of our traffic soliciting forces.

It has been the policy to strengthen our traffic agencies from time to time, both on our own line and elsewhere, for the purpose of securing and retaining our proportion of competitive tonnage. The policy will be continued. The necessity for developing new tonnage to replace that which formerly moved by rail but now moves over the public highways, is obvious. Wherever practicable to do so, rates have been established to meet truck competition and this, with improved local service and coordination of rail movement with trucking schedules provided by Boston & Maine Transportation Company, has enabled the retention of business which was threatened by outside trucks and also resulted in the recovery of some traffic previously lost. The lack of proper governmental regulation of motor vehicles continues to give them an advantage in competition with rail lines with which it is difficult to contend.

Transportation Expenses decreased \$2,185,571.10. Wages paid employees on trains, in yards, and at stations decreased \$1,847,513.60. Fuel for yard and train locomotives decreased \$374,821.03. Enginehouse Expenses decreased \$162,404.16.

Expenses of Miscellaneous Operations increased \$17,392.94.

General Expenses decreased \$9,531.07, due principally to continued reduction in the number of clerks and attendants, and to reduction in law expenses.

It is the conviction of your management that the success of the Boston and Maine is linked with the industrial success of New England, and that the Railroad's greatest contribution to such success is to provide New England industry in the Railroad's territory with a transportation system capable of rendering the best service at the lowest cost consistent with such service, and with fair treatment of the investors in Boston and Maine securities.

In line with this policy improvement projects were pushed vigorously during the year 1928 and it is planned to continue the improvement program at about the same rate in 1929.

Heavier train loads have been developed not only by the purchase of additional modern locomotives, but by adding improvements such as superheaters, automatic stokers, and other devices to locomotives already in service. In 1928 the train load was 32% greater than in 1924.

Modernizing yards at major points of operation and improvements to roadbed and other road operating facilities, have produced a marked speeding up of train movement. In 1928 train hour production was 47% greater than in 1924. Keeping cars moving more rapidly means material reduction in payments to other roads for

use of their cars while on our line. Perhaps of the greatest importance is the fact that added car speed enables the Railroad to give to its customers the expedited service and prompt deliveries of shipments now so essential to the marketing of products.

Attention should be called to the effect of the educational campaign in connection with the use of coal in locomotives. As a result of this campaign, and of improvements to locomotives, including feedwater heaters and cross compound pumps, the unit of coal consumed has dropped 22% as compared with 1924.

The table of Operating Ratios below shows the general effect of the large capital expenditures for improvements, partly made possible by the money advanced by Stockholders for the purchase of Prior Preference stock in the reorganization made effective in 1926.

OPERATING RATIOS

	1924	1925	1926	1927	1928
Maintenance of Way and Structures	12.72%	12.55%	13.47%	17.07%	16.30%
Maintenance of Equipment.....	20.52%	19.47%	18.61%	19.12%	17.49%
Traffic .....	.87%	.98%	1.09%	1.21%	1.30%
Transportation	42.84%	40.25%	39.38%	38.41%	36.18%
Miscellaneous Operations .....	.35%	.35%	.36%	.24%	.27%
General	3.44%	3.56%	3.48%	3.38%	3.41%
Railway Operating Expenses	80.74%	77.16%	76.39%	79.43%	74.95%

OPERATING EFFICIENCY — FREIGHT

	1924	1925	1926	1927	1928
Average net tons per train	486	507	544	526	613
Average car speed per day.....	19.0	21.1	21.4	22.7	26.3
Gross Tons per train	1,185	1,247	1,334	1,331	1,570
Gross Ton Miles per train hour	12,575	13,596	14,159	14,750	18,534
Pounds coal per 1000 Gross Ton Miles ...	153	148	140	127	119
Net Ton Miles per car day	275	304	311	321	366

RAILWAY TAX ACCRUALS

Taxes increased \$373,425.72, due entirely to additional accruals for Federal Income Taxes.

Progress has been made in the adjustment of taxes on property where they were considered excessive. A new tax law in the State of Maine which introduces net earnings factors to modify the rates applicable to gross transportation receipts and which will be effective in 1929, will result in some saving.

EQUIPMENT AND JOINT FACILITY RENTS

Equipment Rents decreased \$535,589.59, as a result, as in the previous year, of a further improvement in the handling of cars, the average number of cars on line daily for the year 1928 having been 22,784, a decrease of 2,949 as compared with 1927. Joint Facility Rents increased \$32,172.23.

OTHER INCOME

Rental from Miscellaneous Non-Operating Physical Property increased \$28,435.76. Dividends from Subsidiary Roads decreased \$80,542.75, and Income from Unfunded Securities increased \$20,923.65. Income from Funded Securities decreased \$156,986.73, principally due to sale during the year of United States Government Bonds and the maturity of other investments.

DEDUCTIONS FROM GROSS INCOME

Interest on Funded Debt decreased \$110,626.24, account of refunding certain issues of bonds September 1, 1927, at lower rate of interest, and reduction due to installment payments on Equipment Trust Notes. As an offset to this saving interest was paid for nine months on additional Equipment Trust Notes issued April 1, 1928. Other Deductions from Income increased \$166,235.06, due to additional interest payments on amounts paid in for subscriptions to Prior Preference Stock.

NET INCOME

Net Income was \$6,437,471.07, an increase of \$3,064,177.82. The better showing in 1928 is due to abnormal conditions in 1927 account of the floods in November of that year.

INDUSTRIAL AND AGRICULTURAL DEVELOPMENTS

The Industrial Department's organization has been expanded and it has been able to secure the location of new industries in our territory which have furnished employment for the communities in which they have located and have supplied the railroad with tonnage to replace that lost through the discontinuance of other forms of production. While some industry has been and is being lost to our territory, we have faith in the ability of northern New England to restore it or to procure new manufactures in its place. The facilities of the Railroad and its organization are being utilized for the industrial rehabilitation of our territory.

Agricultural development has not been neglected. Through cooperation with the State authorities of New Hampshire and Vermont "Better Livestock Trains" were operated in those States and are believed to have been influential in arousing interest in improved farm methods and stock. Such cooperation by the Railroad will be continued if the public desire it.

DEMANDS FOR REDUCED RATES

In the last analysis, net income results from the difference between the cost of operation and the revenue received. The increases that have taken place in net income have been due to decreases in the cost of operation, and not to increased charges to the public. Since the passage of the Transportation Act, the net income has never equalled the fair return of $5\frac{3}{4}$ per cent, even figured on the ultra-conservative valuation of the Interstate Commerce Commission. The deficiency from 1922 to 1928, inclusive, amounts to over \$43,000,000, and it is a matter of great concern that demands for reductions in freight rates should become more frequent and more vigorous, even before the railroad has earned a fair return on its property in a single year, and before the credit of the road has been fully restored.

Your Management is using every effort to protect your revenues, consistent with fairness and justice to shippers and industries. It is to be hoped that a proper understanding of the economic factors by those urging rate reductions will result in fewer attacks on revenue. Stockholders can be of material assistance in disseminating correct information on this subject.

The following table gives the facts as to earnings of your road as tentatively valued by the Interstate Commerce Commission. It should be noted that these Interstate Commerce Commission valuations do not allow for the increased present day value of property constructed before 1914, and that these valuations are now under attack in the Courts by the railroads:

RETURN ON TENTATIVE FINAL VALUE

Deficiency Between 5¾% on Value and Actual Net

T. F. Value At end of:	Value*	Net. Ry. Year	Oper Income Amount	per cent on Value	5¾% on Value	Each Year	Deficiency Accumulated
1921	\$268,935,000	1922	\$ 6,751,000	2.51	\$15,464,000	\$ 8,712,000	\$ 8,712,000
1922	272,828,000	1923	3,392,000	1.24	15,688,000	12,206,000	21,008,000
1923	277,772,000	1924	9,544,000	3.44	15,972,000	6,428,000	27,436,000
1924	279,075,000	1925	12,408,000	4.45	16,047,000	3,639,000	31,075,000
1925	275,874,000	1926	12,841,000	4.65	15,863,000	3,022,000	34,097,000
1926	275,574,000	1927	9,501,000	3.45	15,845,000	6,345,000	40,442,000
1927	275,898,000	1928	12,803,000	4.64	15,864,000	3,061,000	43,503,000

*Includes cash and materials and supplies on hand at end of year.

ADDITIONS AND BETTERMENTS

The plant at Nashua, N. H., for treating ties, timber, piling, etc., with creosote oil for use in railroad maintenance and construction work, has been expanding its outside commercial business constantly until in 1928 it was productive of a large freight revenue.

The restoration to normal condition of the 946 miles of road damaged by the floods of November, 1927, was continued during 1928 and nearly completed. New steel bridges were erected at five locations and a steel and concrete trestle was constructed to replace a stone arch which was destroyed.

The general strengthening of bridges on main traffic routes to permit the use of heavier power has continued in accordance with the program referred to in the last report. The largest and heaviest types of locomotives may now be operated from Mechanicville, N. Y., via the Fitchburg Division, to Boston, Lowell and Portland, and between Worcester and Portland. In addition to the bridges restored because of flood damage, 136 track bridges were constructed. Because of changed highway conditions created by the use of the automobile, it is frequently necessary, in rebuilding bridges where highways are involved, to provide increased highway width at greater cost than otherwise would be necessary.

The policy of increasing clearances, inaugurated with the enlargement of the Hoosac Tunnel, has been extended to all portions of the important main lines.

114 miles of track were ballasted with stone—70 miles on the western route of the Portland Division, and 44 miles on the Southern Division.

The Stony Brook Branch is now completely double-tracked and provides a part of the double-track line from the Hudson River and Worcester to Portland, Me.

Instead of rebuilding a large bridge at Eagle Bridge, New York, a new east bound track was built parallel with the west bound track between Eagle Bridge and Hoosick Junction, New York, a distance of $2\frac{1}{2}$ miles. This track improves operating conditions and permits of better utilization of both tracks between Johnsonville and Hoosick Junction. The revision of grades between Mechanicville and Johnsonville, New York, was also completed.

The program for filling the pile and trestle area in the Boston passenger yards has been carried on and a large amount of fill has been placed.

The installation of 10 additional classification tracks in the inbound yard at Boston was commenced and will be completed as rapidly as possible.

New sidings were built at Westboro, Manchester, and Dover, N. H.

The condition of driveways in freight delivery yards at many stations has been improved with the purpose of attracting new traffic to our line as well as holding what we already have.

ADDITIONS AND BETTERMENTS—(Continued)

A modern main-line concrete coaling plant was constructed at East Deerfield, Mass., and new water facilities were provided at East Portal of Hoosac Tunnel and at Boston.

A new interlocking plant was built at Biddeford, Me., and another is under construction at Dover, N. H. 43 single and 5 double light automatic flashing signals were put in service at highway crossings.

In East Cambridge, Mass., a second five-story concrete warehouse unit was constructed over the outbound freight house.

Reference was made in the last Report to the construction of a new North Station, in Boston. Work proceeded constantly while the regular daily travel passed through the station without interruption or delay, and with but little inconvenience. On Monday, August 20, 1928, the new facilities were opened for use by the public although not fully completed. On Wednesday, November 14, 1928, the formal dedication of the station was celebrated with appropriate ceremonies. At that time, so far as the public was concerned, the building was complete, but it was still in the hands of the contractors for finishing touches. On December 31, 1928 it was finally turned over to the Railroad—about 13 months from the day that the work of razing the old station began.

Above the station facilities is an arena or coliseum, known as Boston Garden, which is leased to and used by Boston Madison Square Garden Company for circuses, ice hockey and other sporting events, with a seating capacity up to 18,000—by far the greatest auditorium in Boston. The Garden was formally opened on November 17, 1928, and has proven very popular. To accommodate the large number of people who attend the events there, special trains are operated to and from Boston at reduced rates. The trains have been well patronized and it is felt that the service is warranted.

Causeway Street, along the entire front of the station, and Nashua Street, along the west side of the tracks entering the station, are to be made of boulevard width and will connect with main traffic arteries leading to the North, West and South of Boston.

REAL ESTATE

Real estate owned but not needed for railroad purposes to the value of about \$1,800,000.00 has been disposed of during the year. This includes land taken by the City of Boston for streets and street widening in the vicinity of the North Station.

INSURANCE RESERVE

The Insurance Reserve which was set up on April 1, 1926, by crediting to it the difference between fire insurance premiums paid in the preceding year and those paid currently for substantially reduced coverage, on December 31, 1928 amounted to \$696,138.77. In order to better protect valuable operating properties against fire waste, automatic sprinklers were installed in freight houses in Lowell and Springfield, Mass., and Troy, N. Y., in the electrical storehouse at North Adams, Mass., and in warehouse at East Cambridge, Mass.; a much improved water supply was provided at Westboro, N. H. enginehouse; and other minor fire protection measures were taken.

CHANGES IN FUNDED DEBT

The Funded Debt on December 31, 1928, amounted to \$130,906,379 an increase of \$971,800 since December 31, 1927.

New Issue:		
Equipment Trust No. 4, 4½% Gold Certificates dated April 1, 1928		\$1,875,000
Paid Off:		
Equipment Trust of 1920, 6% Gold Notes due January 15, 1928	\$454,200	
Equipment Trust of 1922, 5½% Gold Certificates due August 1, 1928	121,000	
Equipment Trust No. 3, 6% Gold Certificates due June 1, 1928...	141,000	
Fitchburg Railroad Company 4% Bonds due January 1, 1928...	87,000	
Fitchburg Railroad Company 4½% Bonds due May 1, 1928....	94,000	
Real Estate Mortgage 6% due October 13, 1928.....	6,000	
	903,200	
Increase as above.....		\$971,800

BONDS LISTED IN NEW YORK

With the purpose of broadening the market for the Company's securities, \$30,942,000 Series AC 5% First Mortgage Bonds were listed on the New York Stock Exchange on November 14, 1928.

EQUIPMENT TRUST NO. 4

Equipment Trust No. 4, National Shawmut Bank of Boston, Trustee, dated April 1, 1928, was entered into and Equipment Trust Gold Certificates bearing 4½% per annum to the amount of \$1,875,000 were issued. The proceeds were used for the purchase of 10 8-wheel switching locomotives (referred to in the 1927 annual report) and 20 heavy fast-freight locomotives, type 2-8-4.

BOSTON & MAINE TRANSPORTATION COMPANY

The operations of the Boston & Maine Transportation Company show a loss for the year of \$21,478.71, after charging \$89,870.92 for depreciation for equipment. The Transportation Company's accounts, however, contain no credit for savings to the Railroad through the substitution of highway service by the Transportation Company for that operated by the Railroad at a substantial loss. The operation of trucks has also made possible some operating savings on the part of the Railroad.

Both bus and truck operations expanded during the year. The coordination of trucking operations with rail freight movement has resulted in many improvements in service to the shippers with consequent increases in tonnage.

The policy with respect to operation on the highways has been to use them wherever possible in the interest of more efficient operation and the improvement of service to travelers and shippers.

PENSIONS

Pension payments for the year amounted to \$290,151.88, an increase of \$4,719.82 over 1927. On December 31, 1928, there were 556 pensioners on the roll, the average age being about 75 years and the average monthly pension \$42.66.

On December 21, 1928, Frank D. True of Portland, Maine, a Director of the Company since May 12, 1925, passed away. He was loyal to and active in the Railroad's affairs, and his personal qualities made him a valued associate.

Your Directors take pleasure in recording their appreciation of the loyal and able services of officers and employees.

By order of the Board of Directors,

GEORGE HANNAUER,
President.

March 12, 1929.

CONDENSED GENERAL BALANCE SHEET—Assets

	Dec. 31, 1928	Dec. 31, 1927
ROAD AND EQUIPMENT		
Investment in Road.....	\$169,654,389 13	\$163,651,200 74
Investment in Equipment*.....	53,116,942 13	52,896,400 57
<i>Total</i>	\$222,771,331 26	\$216,547,601 31
Improvements on Leased Railway Property†.....	10,076,699 44	8,851,449 73
Sinking Funds.....	3,353,490 84	3,184,510 48
Deposits in Lieu of Mortgaged Property Sold.....	583,236 18	237,985 92
Miscellaneous Physical Property.....	1,423,428 73	945,171 27
Investments in Affiliated Companies.....	3,749,824 92	3,753,544 92
Other Investments.....	7,685,337 85	9,048,099 44
<i>Total Investments</i>	\$249,643,349 22	\$242,568,363 07
CURRENT ASSETS		
Cash	\$3,284,539 25	\$3,446,361 49
Cash in Transit—Agents' Remittances.....	540,933 07	561,242 36
Time Drafts and Deposits.....	245,000 00	65,000 00
Special Deposits.....	410,933 11	399,916 17
Loans and Bills Receivable.....	112,847 42	5,000 00
Traffic and Car Service Balances Receivable.....	622,858 56	545,234 25
Net Balance Receivable from Agents and Conductors.....	1,199,117 95	905,474 00
Miscellaneous Accounts Receivable.....	3,159,946 05	2,749,124 45
Material and Supplies.....	6,476,704 47	6,849,778 45
Interest and Dividends Receivable.....	130,533 65	146,294 18
<i>Total Current Assets</i>	\$16,183,413 53	\$15,673,425 35
DEFERRED ASSETS		
Working Fund Advances.....	\$72,045 17	\$171,513 04
Insurance and Other Funds.....	35,000 00	35,000 00
Other Deferred Assets.....	787,796 66	800,704 44
<i>Total Deferred Assets</i>	\$894,841 83	\$1,007,217 48
UNADJUSTED DEBITS		
Insurance Premiums Paid in Advance.....	\$40,592 51	\$47,834 14
Discount on Funded Debt.....	3,291,137 16	3,385,694 49
Other Unadjusted Debits.....	1,324,885 96	609,036 13
Securities Issued or Assumed—Unpledged.....	767,100 00	1,112,300 00
<i>Total Unadjusted Debits</i>	\$5,423,715 63	\$5,154,864 76
<i>Grand Total</i>	\$272,145,320 21	\$264,403,870 66

*Includes \$15,068,215.36 representing equipment acquired under Equipment Trust Agreements but does not include equipment acquired from leased roads at inception of leases appraised at \$1,792,325.58.

† Does not include improvements on property of affiliated companies nor on leased roads when leases provide for current settlement.

CONDENSED GENERAL BALANCE SHEET—Liabilities

	Dec. 31, 1928	Dec. 31, 1927
CAPITAL STOCK		
Common Stock—395,051 Shares.....	\$39,505,100 00	\$39,505,100 00
Common Stock—Scrip.....	—	255 91
<i>Total Common Stock.....</i>	<i>\$39,505,100 00</i>	<i>\$39,505,355 91</i>
Preferred Stock—31,498 Shares.....	3,149,800 00	3,149,800 00
First Preferred Stock—388,179 Shares.....	38,817,900 00	38,817,900 00
Prior Preference Stock.....	10,854,644 35	8,720,948 35
<i>Total Capital Stock.....</i>	<i>\$92,327,444 35</i>	<i>\$90,194,004 26</i>
Premiums on Capital Stock.....	4,218,973 14	4,218,973 14
<i>Total Capital Stock and Premiums</i>	<i>\$96,546,417 49</i>	<i>\$94,412,977 40</i>
LONG TERM DEBT		
Funded Debt Unmatured.....	\$130,906,379 00	\$129,934,579 00
CURRENT LIABILITIES		
Traffic and Car Service Balances Payable.....	\$3,077,871 79	\$2,804,196 65
Audited Accounts and Wages Payable.....	4,136,249 99	3,382,812 14
Miscellaneous Accounts Payable.....	252,443 85	313,338 64
Interest Matured Unpaid.....	694,903 25	688,028 25
Dividends Matured Unpaid.....	749,224 82	752,296 28
Funded Debt Matured Unpaid.....	12,300 00	127,300 00
Unmatured Interest Accrued.....	1,516,226 89	1,461,153 34
Unmatured Rents Accrued.....	184,854 17	186,390 64
<i>Total Current Liabilities</i>	<i>\$10,624,074 76</i>	<i>\$9,715,515 94</i>
DEFERRED LIABILITIES		
Due to Leased Roads at Expiration of Leases.....	\$209,988 70	\$209,988 70
Other Deferred Liabilities.....	149,439 00	58,538 00
<i>Total Deferred Liabilities</i>	<i>\$359,427 70</i>	<i>\$268,526 70</i>
UNADJUSTED CREDITS		
Tax Liability.....	\$534,788 17	Dr. \$341,307 55
Premium on Funded Debt.....	18,871 53	34,750 13
Insurance and Casualty Reserves.....	696,138 77	446,838 99
Accrued Depreciation—Road.....	60,252 29	48,788 99
Accrued Depreciation—Equipment.....	17,342,929 56	16,819,553 73
Accrued Depreciation—Miscellaneous Physical Property.....	220,005 46	129,989 35
Other Unadjusted Credits.....	401,110 61	704,753 33
<i>Total Unadjusted Credits</i>	<i>\$19,274,096 39</i>	<i>\$17,843,366 97</i>
CORPORATE SURPLUS		
Additions to Property through Income since June 30, 1907	\$4,373,683 72	\$4,367,902 63
Funded Debt Retired through Income and Surplus.....	1,929,000 00	1,929,000 00
Sinking Fund Reserves.....	3,476,914 57	3,304,540 46
<i>Total Appropriated Surplus</i>	<i>\$9,779,598 29</i>	<i>\$9,601,443 09</i>
Profit and Loss—Balance.....	4,655,326 58	2,627,461 56
<i>Total Corporate Surplus</i>	<i>\$14,434,924 87</i>	<i>\$12,228,904 65</i>
<i>Grand Total.....</i>	<i>\$272,145,320 21</i>	<i>\$264,403,870 66</i>

BONDS GUARANTEED

The St. Johnsbury and Lake Champlain R. R. Co. First Mortgage 5% Bonds, due March 1, 1944.....	\$1,328,000 00
Concord & Claremont N. H., R. R. First Mortgage 5% Bonds, due January 1, 1944	500,000 00
The Peterborough and Hillsborough R. R. First Mortgage 4½% Bonds due July 1, 1931, owned by Boston and Maine Railroad.....	100,000 00

\$1,928,000 00

INCOME ACCOUNT

	Year Ended December 31, 1928	Increase or Decrease
TRANSPORTATION REVENUE,		
Freight	\$50,396,980 72	\$341,555 05
Passenger	16,988,943 59	<i>1,437,087 36</i>
Excess Baggage	38,267 22	<i>5,031 36</i>
Mail	1,328,944 86	67,233 85
Express	2,599,310 56	138,591 14
Other Passenger Train	255,143 01	<i>7,261 46</i>
Milk	2,241,830 54	84,869 99
Switching	768,468 77	<i>35,762 95</i>
Special Service Train	116,059 79	11,307 10
Other Freight Train	88,220 46	<i>26,410 41</i>
<i>Total Transportation Revenue</i>	\$74,822,169 52	\$1,145,178 69
INCIDENTAL REVENUE,		
Dining and Buffet.....	\$141,556 10	\$8,271 82
Station and Train Privileges.....	233,436 20	<i>43,398 65</i>
Parcel Room.....	37,189 27	<i>7,043 30</i>
Storage—Freight	52,566 50	<i>8,335 62</i>
Storage—Baggage	12,097 10	<i>1,786 42</i>
Demurrage	439,599 71	<i>33,491 43</i>
Telegraph and Telephone	17,170 28	<i>24,303 97</i>
Power	45,405 25	15,388 83
Rents of Buildings and Other Property	437,954 88	61,998 63
Miscellaneous	305,724 20	<i>29,527 57</i>
<i>Total Incidental Revenue</i>	\$1,722,699 49	\$78,771 32
Joint Facility— <i>Cr.</i>	\$80,277 18	2,493 02
Joint Facility— <i>Dr.</i>	908 28	<i>2,306 71</i>
<i>Total Joint Facility—Operating Revenue</i>	\$79,368 90	\$186 31
<i>Total Operating Revenues</i>	\$76,624,237 91	\$1,224,136 32
OPERATING EXPENSES,		
Maintenance of Way and Structures.....	\$12,486,921 19	\$801,411 81
Maintenance of Equipment.....	13,405,796 42	<i>1,483,704 08</i>
Traffic	1,000,674 21	56,922 05
Transportation	27,720,721 37	2,185,571 10
Miscellaneous Operations	208,784 26	17,392 94
General	2,609,293 62	<i>9,531 07</i>
Transportation for Investment— <i>Cr.</i>	2,867 93	275 37
<i>Total Operating Expenses</i>	\$57,429,323 14	\$4,406,178 44
<i>Operating Ratio</i>	<i>(74.95%)</i>	<i>(4.48%)</i>
<i>Net Operating Revenue</i>	\$19,194,914 77	\$3,182,042 12
TAX ACCRUALS.		
UNCOLLECTIBLE RAILWAY REVENUES.....	\$3,946,294 32	\$373,425 72
	13,243 99	<i>9,837 23</i>
<i>Total</i>	\$3,959,538 31	\$383,262 95
<i>Operating Income (carried forward)</i>	\$15,235,376 46	\$2,798,779 17

Italics indicate decrease.

INCOME ACCOUNT—Concluded

	Year Ended December 31, 1928	Increase or Decrease
<i>Operating Income (brought forward).....</i>	\$15,235,376 46	\$2,798,779 17
Rent from Locomotives.....	178,564 48	82,990 92
Rent from Passenger Train Cars.....	336,418 17	29,025 69
Rent from Work Equipment.....	138,588 65	61,461 26
Joint Facility Rent Income.....	91,418 65	43,749 08
<i>Total</i>	\$15,980,366 41	\$2,870,456 58
Hire of Freight Cars—Debit Balance.....	\$2,341,175 60	\$408,407 84
Rent for Locomotives	13,156 44	2,953 04
Rent for Passenger Train Cars.....	427,827 89	15,252 29
Rent for Work Equipment.....	1,810 59	543 99
Joint Facility Rents.....	393,426 54	11,576 85
<i>Total</i>	\$3,177,397 06	\$431,789 95
<i>Net Railway Operating Income.....</i>	\$12,802,969 35	\$3,302,196 53
 OTHER INCOME,		
Income from Lease of Road.....	\$313,637 79	\$2,433 60
Miscellaneous Rent Income.....	219,581 15	6,270 16
Miscellaneous Nonoperating Physical Property.....	371,361 79	28,435 76
Dividend Income.....	52,377 25	80,542 75
Income from Funded Securities.....	303,755 74	156,986 73
Income from Unfunded Securities and Accounts.....	263,046 13	20,923 65
Income from Sinking and Other Reserve Funds.....	10,540 50	944 40
Release of Premiums on Funded Debt.....	21,316 10	1,578 88
Miscellaneous Income.....	2,042 25	420 30
<i>Total Other Income.....</i>	\$1,557,658 70	\$182,409 89
<i>Total Income.....</i>	\$14,360,628 05	\$3,119,786 64
 OTHER DEDUCTIONS FROM INCOME,		
Rent for Leased Roads.....	\$1,139,132 10	
Miscellaneous Rents.....	4,871 85	\$4,139 05
Interest on Funded Debt*.....	6,341,825 72	110,626 24
Interest on Unfunded Debt.....	300,243 61	144,936 48
Amortization of Discount on Funded Debt.....	136,855 70	25,573 13
Miscellaneous Income Charges.....	228 00	135 50
<i>Total Other Deductions.....</i>	\$7,923,156 98	55,608 82
<i>Net Income.....</i>	\$6,437,471 07	\$3,064,177 82
 DISPOSITION OF NET INCOME,		
Income Applied to Sinking Funds.....	\$158,326 75	\$5,658 52
Dividend Appropriations of Income.....	2,907,330 13	11,444 46
<i>Total Appropriations of Net Income.....</i>	\$3,065,656 88	\$17,102 98
<i>Balance Transferred to Profit and Loss.....</i>	\$3,371,814 19	\$3,047,074 84

* Interest amounting to \$144,030.00 for 1928 and \$140,820.83 for 1927 accrued on bonds held in Sinking Funds is included in account "Income Applied to Sinking Funds."

Italics indicate decrease.

OPERATING EXPENSES

	Year Ended December 31, 1928	Increase or Decrease
MAINTENANCE OF WAY AND STRUCTURES		
Superintendence	\$677,496 59	\$25,784 34
Roadway Maintenance	644,692 50	<i>731,857</i> 70
Tunnels and Subways	13,489 84	1,120 21
Bridges, Trestles and Culverts	1,004,665 73	115,645 67
Ties	2,057,855 33	176,640 21
Rails	419,664 28	<i>31,777</i> 74
Other Track Material	695,618 68	<i>93,365</i> 21
Ballast	4,693 49	<i>35,940</i> 11
Track Laying and Surfacing	3,197,144 47	133,354 46
Right-of-Way Fences	61,178 38	3,169 72
Snow and Sand Fences and Snowsheds	8,389 80	6,867 25
Crossings and Signs	459,018 46	68,012 14
Station and Office Buildings	748,701 18	<i>571,960</i> 16
Roadway Buildings	51,646 93	708 65
Water Stations	84,720 47	<i>20,542</i> 90
Fuel Stations	72,658 39	2,435 20
Shops and Enginehouses	325,384 05	19,483 66
Grain Elevators	10,529 28	11,571 58
Storage Warehouses	136 24	15 38
Wharves and Docks	7,927 22	1,084 80
Coal and Ore Wharves	14,320 14	<i>4,265</i> 27
Gas Producing Plants	6,613 56	<i>6,278</i> 47
Telegraph and Telephone Lines	55,473 61	<i>11,818</i> 15
Signals and Interlockers	684,607 28	99,866 06
Power Plant Buildings	589 <i>33</i>	<i>6,063</i> 01
Power Substation Buildings	424 78	213 14
Power Transmission Systems	7,247 87	470 69
Power Distribution Systems	31,508 23	<i>7,620</i> 74
Power Plant Buildings	10,712 70	3,514 95
Miscellaneous Structures	5,147 27	<i>1,415</i> 27
Paving	1,448 00	<i>2,345</i> 16
Roadway Machines	74,344 03	252 27
Small Tools and Supplies	325,650 74	<i>145,595</i> 38
Removing Snow, Ice and Sand	212,856 33	<i>237,293</i> 55
Assessments for Public Improvements	228 90	185 72
Injuries to Persons	86,684 56	9,685 50
Insurance	183,421 95	26,367 26
Stationery and Printing	16,547 18	3,731 63
Other Expenses	479 88	451 71
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	295,216 17	35,316 80
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	71,033 97	<i>71,430</i> 83
<i>Total Maintenance of Way and Structures</i>	<i>\$12,486,921 19</i>	<i>\$801,411 81</i>
MAINTENANCE OF EQUIPMENT		
Superintendence	\$542,408 90	\$2,329 42
Shop Machinery	463,366 53	<i>95,532</i> 11
Power Plant Machinery	58,853 52	<i>15,855</i> 02
Power Substation Apparatus	1,435 08	927 40
Steam Locomotives—Repairs	4,733,435 25	<i>1,570,810</i> 20
Steam Locomotives—Depreciation	542,892 06	29,752 90
Steam Locomotives—Retirements	44,995 08	<i>93,622</i> 12
Other Locomotives—Repairs	59,850 12	8,666 25
Other Locomotives—Depreciation	11,517 96	25 89
<i>Maintenance of Equipment (carried forward)</i>	<i>\$6,458,754 50</i>	<i>\$1,738,776 43</i>

Italics indicate decrease.

OPERATING EXPENSES—Continued

	Year Ended December 31, 1928	Increase or Decrease
MAINTENANCE OF EQUIPMENT—Concluded		
<i>Brought forward.</i>	<i>\$6,458,754 50</i>	<i>\$1,738,776 43</i>
Freight-Train Cars—Repairs	2,584,176 89	214,662 64
Freight-Train Cars—Depreciation	633,227 10	32,018 88
Freight-Train Cars—Retirements	1,344,289 60	707,973 42
Passenger-Train Cars—Repairs	1,265,572 67	245,894 13
Passenger-Train Cars—Depreciation	251,816 26	3,422 75
Passenger-Train Cars—Retirements	32,926 51	166 95
Motor Equipment of Cars—Repairs	100,666 91	30,821 31
Motor Equipment of Cars—Depreciation	43,621 28	5,318 08
Motor Equipment of Cars—Retirements	—	34 84
Floating Equipment—Depreciation	33 58	33 58
Work Equipment—Repairs	315,881 65	9,574 95
Work Equipment—Depreciation	26,591 53	3,340 99
Work Equipment—Retirements	80,864 63	21,195 44
Miscellaneous Equipment—Repairs	6,106 89	1,695 32
Miscellaneous Equipment—Depreciation	2,227 37	563 78
Miscellaneous Equipment—Retirements	358 47	485 34
Injuries to Persons	78,315 38	14,557 53
Insurance	99,982 63	3,270 62
Stationery and Printing	15,764 30	2,285 26
Other Expenses	8,493 72	2,607 08
Maintaining Joint Equipment at Terminals—Dr.	56,702 29	6,519 58
Maintaining Joint Equipment at Terminals—Cr.	577 74	50 58
<i>Total Maintenance of Equipment</i>	<i>\$13,405,796 42</i>	<i>\$1,483,704 08</i>
TRAFFIC		
Superintendence	\$441,742 10	\$19,294 28
Outside Agencies	291,940 49	39,081 93
Advertising	157,374 21	3,368 95
Traffic Associations	24,294 06	9,841 98
Industrial and Immigration Bureaus	11,735 31	5,070 29
Insurance	67 39	224 07
Stationery and Printing	69,759 39	21,436 90
Other Expenses	3,761 26	1,925 59
<i>Total Traffic</i>	<i>\$1,000,674 21</i>	<i>\$56,922 05</i>
TRANSPORTATION		
Superintendence	\$766,174 60	\$7,989 68
Dispatching Trains	212,261 45	8,232 96
Station Employees	4,816,248 22	297,295 25
Weighing, Inspection and Demurrage Bureaus	3,197 74	266 12
Station Supplies and Expenses	305,205 51	27,085 10
Yardmasters and Yard Clerks	736,022 19	105,183 28
Yard Conductors and Brakemen	1,465,567 05	427,978 17
Yard Switch and Signal Tenders	362,766 01	17,166 61
Yard Enginemen	934,180 04	152,111 18
Fuel for Yard Locomotives	757,823 82	74,275 50
Water for Yard Locomotives	21,625 48	2,560 70
Lubricants for Yard Locomotives	17,987 16	82 81
Other Supplies for Yard Locomotives	18,050 42	935 87
Enginehouse Expenses—Yard	269,304 27	50,583 43
Yard Supplies and Expenses	56,455 69	9,533 86
Operating Joint Yards and Terminals—Dr.	989,674 52	26,768 98
Operating Joint Yards and Terminals—Cr.	139,853 17	33,812 05
Train Enginemen	2,761,472 54	244,601 27
Train Motormen	146,411 19	3,022 38
Fuel for Train Locomotives	4,190,575 96	300,545 53
Train Power Produced	5,089 92	1,124 84
Train Power Purchased	129,595 53	1,878 26
<i>Transportation (carried forward)</i>	<i>\$18,825,836 14</i>	<i>\$1,706,176 39</i>

Italics indicate decrease.

OPERATING EXPENSES—Concluded

	Year Ended December 31, 1928	Increase or Decrease
TRANSPORTATION—Concluded		
<i>Brought forward.....</i>	\$18,825,836 14	\$1,706,176 39
Water for Train Locomotives.....	151,870 27	13,503 09
Lubricants for Train Locomotives.....	84,338 13	8,331 97
Other Supplies for Train Locomotives.....	81,049 26	2,752 60
Enginehouse Expenses—Train.....	1,007,210 72	111,820 73
Trainmen.....	3,496,092 08	599,889 34
Train Supplies and Expenses.....	1,036,378 22	44,880 37
Signal and Interlocker Operation.....	725,578 31	30,802 31
Crossing Protection.....	879,294 78	26,587 91
Drawbridge Operation.....	49,058 35	4,777 24
Telegraph and Telephone Operation.....	16,819 22	6,229 22
Stationery and Printing.....	174,559 95	7,398 21
Other Expenses.....	231,558 36	203,551 52
Operating Joint Tracks and Facilities—Dr.....	27,770 51	609 67
Operating Joint Tracks and Facilities—Cr.....	56,082 13	25,126 25
Insurance.....	66,679 38	10,111 47
Clearing Wrecks.....	81,595 21	3,578 20
Damage to Property.....	55,447 15	26,021 87
Damage to Live Stock on Right-of-Way.....	2,329 74	273 00
Loss and Damage—Freight.....	406,783 78	70,045 80
Loss and Damage—Baggage.....	4,492 66	341 40
Injuries to Persons.....	372,061 28	16,461 84
<i>Total Transportation.....</i>	\$27,720,721 37	\$2,185,571 10
MISCELLANEOUS OPERATIONS		
Dining and Buffet Service.....	\$157,486 62	\$6,640 26
Hotels and Restaurants.....	2,604 03	20 08
Grain Elevators.....	143 30	1,172 03
Producing Power Sold.....	42,891 21	26,568 54
Other Miscellaneous Operations.....	5,659 10	3,687 29
<i>Total Miscellaneous Operations.....</i>	\$208,784 26	\$17,392 94
GENERAL		
Salaries and Expenses of General Officers.....	\$233,335 78	\$10,615 66
Salaries and Expenses of Clerks and Attendants.....	1,476,254 76	74,442 25
General Office Supplies and Expenses.....	56,565 62	2,083 96
Law Expenses.....	215,163 17	28,704 76
Insurance.....	1,677 23	708 37
Pensions.....	290,151 88	4,719 82
Stationery and Printing.....	76,614 92	6,190 69
Valuation Expenses.....	41,442 09	462 05
Other Expenses.....	195,391 57	79,344 72
General Joint Facilities—Dr.....	23,629 91	2,377 34
General Joint Facilities—Cr.....	983 31	911 45
<i>Total General.....</i>	\$2,609,293 62	\$9,531 07
Transportation for Investment—Cr.....	\$2,867 93	\$275 37
<i>Total Operating Expenses.....</i>	\$57,429,323 14	\$4,406,178 44
<i>Ratio to Total Operating Revenues.....</i>	<i>(74.95%)</i>	<i>(4.48%)</i>

Italics indicate decrease.

Dr.

PROFIT AND LOSS ACCOUNT, DECEMBER 31, 1928

Cr.

Loss on Retired Road and Equipment.....	\$959,187 72	Balance, December 31, 1927.....	\$2,627,461 56
Par Value Adjustment of Investments.....	13,530 26	Credit Balance from Income Account for Year 1928.....	3,371,814 19
Adjustment of Miscellaneous Accounts.....	86,416 26	Unrefundable Overcharges.....	20,848 18
To charge off Balance of Ledger Value of Old North Station	403,230 00	Profit on Road and Equipment Sold	841,897 84
To charge off Ledger Value less Salvage of portion of Reformatory Branch, the abandonment of which has been authorized	64,647 00		
Reduction in Ledger Value of Concord Electric Railways	679,683 95		
Balance, December 31, 1928.....	4,655,326 58		
	<u>\$6,802,021 77</u>		
		Balance to next year's account.....	<u>\$6,862,021 77</u>
			<u>\$4,655,326 58</u>

ADDITIONS AND BETTERMENTS

Year Ending December 31, 1928

ROAD

1	Engineering	\$239,059 59
2	Land for Transportation Purposes.....	43,707 99
3	Grading	1,337,303 77
5	Tunnels and Subways.....	9,374 96
6	Bridges—Trestles and Culverts	1,531,942 02
8	Ties	111,847 56
9	Rails	244,852 27
10	Other Track Material	460,354 70
11	Ballast	584,895 46
12	Track Laying and Surfacing	196,581 87
13	Right-of-Way Fences.....	1,945 23
15	Crossings and Signs	406,082 59
16	Station and Office Buildings.....	3,719,425 68
17	Roadway Buildings.....	3,821 52
18	Water Stations.....	14,005 12
19	Fuel Stations.....	55,077 66
20	Shops and Enginehouses.....	345,786 05
21	Grain Elevators.....	1,325 97
22	Storage Warehouses.....	764 21
23	Wharves and Docks	5,426 63
24	Coal and Ore Wharves.....	81,784 54
25	Gas Producing Plants.....	696 83
26	Telegraph and Telephone Lines.....	116,204 15
27	Signals and Interlockers.....	606,466 56
29	Power Plant Buildings	21,495 51
30	Power Substation Buildings	31,407 94
31	Power Transmission Systems	32,836 15
32	Power Distribution Systems	20,891 85
33	Power Line Poles and Fixtures.....	25,074 50
35	Miscellaneous Structures.....	2,647 52
37	Roadway Machines.....	70,286 23
38	Roadway Small Tools.....	10,319 26
39	Assessments for Public Improvements.....	221 22
44	Shop Machinery.....	107,286 19
45	Power Plant Machinery	21,091 11
46	Power Substation Apparatus	40,990 23

EQUIPMENT

51	Steam Locomotives.....	\$2,999,341 50
52	Other Locomotives.....	878 89
53	Freight Train Cars.....	38,104 68
54	Passenger Train Cars.....	21,917 85
55	Motor Equipment of Cars.....	14,808 37
56	Floating Equipment.....	15,171 98
57	Work Equipment.....	432,831 94
58	Miscellaneous Equipment.....	2,484 22

\$3,625,589 43

GENERAL EXPENDITURES

71	Organization Expenses	\$30,680 40
73	Law	4,605 85
74	Stationery and Printing.....	1,069 24
76	Interest During Construction.....	93 93
77	Other Expenditures—General	3,158 44

39,420 00

Total \$14,067,740 02

Credit:

Equipment Retired	\$3,304,997 87
Land Sold and Property Retired.....	3,187,796 58

6,492,794 45

Net Charge to Additions and Betterments..... \$7,574,945 57

Distributed as Follows:

Charged to Capital Accounts	\$6,223,548 85
Charged to Leased Roads	1,351,396 72

\$7,574,945 57

Note.—The above statement does not include debit of \$181.10 made up of miscellaneous adjustments affecting the accounts prior to July 1, 1914,

CAPITAL STOCK AND FUNDED DEBT OUTSTANDING
DECEMBER 31, 1928

Owned Road

NAME OF ROAD AND DESCRIPTION	CAPITAL STOCK	
	Amount Outstanding	Dividend Rate
Boston and Maine Prior Preference.....	\$5,872,600 00	7%
" " " Subscriptions for Prior Preference.....	4,982,044 35	
" " " First Preferred, Class A	18,860,000 00	5%
" " " " " B	7,648,800 00	8%
" " " " " C	7,917,100 00	7%
" " " " " D	4,327,000 00	10%
" " " " " E	65,000 00	4½%
" " " Preferred	3,149,800 00	6%
" " " Common.....	39,505,100 00	
Total Capital Stock	\$92,327,444.35	
FUNDED DEBT		
	Bonds Outstanding	Date of Maturity
Boston and Maine General Mortgage,	\$1,318,000 00	Apr. 1, 1929
" " " " " Boston and Lowell	8,000 00	Apr. 1, 1929
" " " " " W. N. & R. R.	45,000 00	Jan. 1, 1930
" " " " " Series F	574,000 00	June 1, 1930
" " " " " " H	*5,443,979 00	Nov. 1, 1930
" " " " " " I	54,000 00	Jan. 1, 1931
" " " " " Series J	*3,049 000 00	Oct. 1, 1931
" " " " " Fitchburg	9,000 00	Jan. 1, 1932
" " " " " Boston & Lowell	154,000 00	Apr. 1, 1932
" " " " " Series M	3,991,000 00	Jan. 1, 1933
" " " " " Fitchburg	400,000 00	Jan. 1, 1933
" " " " " Boston & Lowell	1,000,000 00	Feb. 1, 1933
" " " " " Series O	*5,894,000 00	Jan. 1, 1934
" " " " " Fitchburg	1,872,000 00	Jan. 1, 1934
" " " " " W. N. & R. R.	380,000 00	Oct. 1, 1934
" " " " " " " "	150,000 00	Jan. 1, 1935
" " " " " Series K	*5,000,000 00	June 1, 1935
" " " " " Boston & Lowell	1,250,000 00	Mar. 1, 1936
" " " " " Sinking Fd. Improvement	1,919,000 00	Feb. 1, 1937
" " " " " Fitchburg	5,000,000 00	Feb. 1, 1937
" " " " " P., Gt. F. & C. R. R.	1,000,000 00	June 1, 1937
" " " " " Series Q	426,000 00	Feb. 2, 1940
" " " " " " R	3,580,000 00	May 1, 1940
" " " " " " S	500,000 00	Sept. 1, 1940
" " " " " " T	8,348,000 00	Sept. 1, 1941
" " " " " " U	500,000 00	Nov. 1, 1941
" " " " " " V	2,359,000 00	Mar. 1, 1942
" " " " " " W	1,867,000 00	Apr. 1, 1942
" " " " " " X	323,000 00	July 1, 1942
" " " " " Series Y	2,500,000 00	Aug. 1, 1942
" " " " " " Z	1,363,000 00	Jan. 1, 1943
" " " " " Connecticut River	2,306,000 00	May 1, 1943
" " " " " " " "	1,000,000 00	Sept. 1, 1943
" " " " " " " "	6,000,000 00	Jan. 1, 1944
" " " " " " " "	10,382,000 00	Apr. 1, 1944
" " " " " " " "	342,000 00	Apr. 1, 1944
" " " " " " " "	" CC	690,000 00
" " " " " " " "	" DD	Jan. 1, 1945
" " " " " " " "	" EE	3,268,000 00
" " " " " " " "	" FF	555,000 00
" " " " " " " "	" GG	1,191,000 00
" " " " " " " "	Series AC	5,454,000 00
" " " " " " " "	30,942,000 00	July 1, 1950
" " " " " " " "	3,179,400 00	Sept. 1, 1967
" " " " " " " "	1,089,000 00	Jan. 15, 1929-'35
" " " " " " " "	1,410,000 00	Aug. 1, 1929-'37
" " " " " " " "	1,875,000 00	June 1, 1929-'38
" " " " " " " "	100,000 00	Apr. 1, 1929-'43
Total Funded Debt	\$130,906,379 00	Sept. 27, 1929

* Owned by United States Government \$19,386,979.00.

**CAPITAL STOCK AND FUNDED DEBT OUTSTANDING
DECEMBER 31, 1928**

Leased Roads

NAME OF ROAD AND DESCRIPTION	CAPITAL STOCK	
	Amount Outstanding	Dividend Rate (Paid as rental)
Nashua and Lowell.....	\$800,000 00	9%
Stony Brook.....	300,000 00	7%
Wilton	240,000 00	8½%
Peterborough	385,000 00	4%
New Boston	84,000 00	4%
Concord and Portsmouth.....	350,000 '00	7%
Pemigewasset Valley.....	541,500 00	6%
Northern	3,068,400 00	6%
Vermont and Massachusetts.....	3,193,000 00	6%
Troy and Bennington.....	150,800 00	10%
Connecticut and Passumpsic Rivers—Preferred.....	2,500,000 00	6%
Massawippi Valley.....	800,000 00	6%
Vermont Valley.....	1,000,000 00	—
Sullivan County.....	500,000 00	—
Franklin & Tilton.....	265,600 00	—
Peterborough and Hillsborough.....	45,000 00	—
Newport & Richford.....	350,000 00	—
Concord & Claremont, N. H.....	412,400 00	—
<i>Total Capital Stock.....</i>	\$14,985,700 00	

FUNDED DEBT			
	Bonds Outstanding	Date of Maturity	Rate
Peterborough and Hillsborough.....	First Mortgage \$100,000 00	July 1, 1931	4½%
Peterborough and Hillsborough.....	Second Mortgage 65,000 00	Apr. 30, 1887	No interest
Newport & Richford.....	First Mortgage 350,000 00	Jan. 1, 1941	5%
Connecticut and Passumpsic Rivers.....	First Mortgage 1,900,000 00	Apr. 1, 1943	4%
Concord & Claremont, N. H.....	First Mortgage 500,000 00	Jan. 1, 1944	5%
Vermont Valley.....	First Mortgage 1,500,000 00	Oct. 1, 1940	4½%
Sullivan County.....	First Mortgage 357,000 00	Apr. 1, 1944	6%
<i>Total Funded Debt.....</i>	\$4,772,000 00		

MILES OF ROAD OPERATED, DECEMBER 31, 1928

STEAM ROADS	Owned	Leased	Total
Main Lines.....	1,043.09	230.54	1,273.63
Branch Lines.....	555.12	219.08	774.20
Trackage Rights.....	—	82.87	82.87
<i>Total Road Operated.....</i>	1,598.21	482.49	2,080.70
Second Track.....	492.57	A137.30	629.87
Third Track.....	3.95	B 5.85	9.80
Side Tracks.....	1,124.36	213.18	1,337.54
<i>Total Track Operated.....</i>	3,219.09	838.82	4,057.91
ELECTRIC RAILWAYS (Concord, N. H.)			
Main Lines.....	28.71	—	28.71
Side Tracks.....	1.84	—	1.84
<i>Total</i>	30.55	—	30.55

^A Includes trackage rights, 21.29 miles.

^B Includes trackage rights, .99 mile.

TRAFFIC AND OPERATING STATISTICS

	Year Ended Dec. 31, 1928	Increase or Decrease
FREIGHT		
Tons of revenue freight carried.....	28,270,081	8,239
Tons of company freight carried.....	2,396,420	<i>36,941</i>
<i>Total tons of freight carried.....</i>	<i>25,666,501</i>	<i>45,180</i>
Tons of revenue freight carried one mile.....	2,893,844,169	87,254,634
Tons of company freight carried one mile.....	149,054,112	<i>1,087,499</i>
<i>Total tons of freight carried one mile.....</i>	<i>3,042,898,281</i>	<i>36,167,135</i>
AVERAGES		
Average miles hauled—revenue freight.....	124.36	1.56
Average miles hauled—non-revenue freight.....	62.20	<i>1.43</i>
Average miles hauled—all freight.....	118.56	1.21
Tons of revenue freight per revenue train mile (including mixed service).....	581.80	83.11
Tons of all freight per revenue train mile (including mixed service).....	611.77	86.87
*Tons of revenue freight per loaded car mile (including mixed service).....	18.91	<i>.33</i>
*Tons of all freight per loaded car mile (including mixed service).....	19.88	<i>.37</i>
Freight cars per revenue train mile (including mixed service).....†	44.13	5.86
*Loaded cars per revenue train mile (including mixed service).....†	30.82	4.85
*Empty cars per revenue train mile (including mixed service).....†	13.31	1.98
Revenue per ton of freight.....	\$2,165.74	\$0.1391
Revenue per ton per mile.....(cents)	1.742	<i>.010</i>
Revenue per revenue train mile (including mixed service).....	\$10,132	\$1,394
*Freight revenue per loaded car mile (including mixed service) (cents).....	32,925	<i>.791</i>
PASSENGER		
Passenger Revenue:		
Monthly Commutation Ticket Passengers.....	\$1,361,842.76	\$33,583.81
All other Commutation Ticket Passengers.....	2,278,651.70	<i>159,256.35</i>
Single Fare Ticket Passengers (not including interline).....	8,182,561.58	<i>1,046,913.29</i>
Interline Ticket Passengers.....	4,705,628.75	<i>156,990.50</i>
Number of Passengers Carried:		
Monthly commutation ticket passengers.....	6,694,961	228,683
All other commutation ticket passengers.....	13,432,666	<i>1,162,238</i>
Single fare ticket passengers (not including interline).....	8,203,148	<i>1,181,625</i>
Interline ticket passengers.....	1,578,382	<i>76,511</i>
<i>Total number of passengers carried.....</i>	<i>29,090,157</i>	<i>2,652,057</i>
Number of Passengers carried one mile:		
Monthly commutation ticket passengers.....	140,009,154	3,834,765
All other commutation ticket passengers.....	121,793,232	<i>8,500,898</i>
Single fare ticket passengers (not including interline).....	239,410,491	<i>31,354,092</i>
Interline ticket passengers.....	137,814,295	<i>5,089,022</i>
<i>Total number of passengers carried one mile.....</i>	<i>639,027,172</i>	<i>48,778,777</i>
Number of passengers to and from Boston, including monthly ticket passengers	22,820,377	<i>1,539,539</i>
AVERAGES		
Average distance carried per passenger (miles).....	21.37	.25
Number of passengers per train mile (including mixed service).....	73.18	<i>2.34</i>
Number of passengers per car mile (including mixed service).....	20.28	<i>.77</i>
Number of cars per train mile (including mail, baggage and express cars) (including mixed service).....	6.01	<i>.22</i>
Revenue per passenger.....**(cents)	56.28	<i>.23</i>
Revenue per passenger mile, monthly commutation ticket passengers (cents)	.973	<i>.004</i>
Revenue per passenger mile, other commutation ticket passengers (cents)	1.871	<i>—</i>
Revenue per passenger mile, single-fare not including interline (cents)	3.418	<i>.010</i>
Revenue per passenger mile, interline passengers.....(cents)	3.414	<i>.011</i>
Revenue per passenger mile, all passengers.....**(cents)	2.634	<i>.019</i>
Passenger revenue per passenger car mile (including mixed service) (cents)	53,415	<i>2,446</i>
Total passenger service train revenue per train mile (including mixed service)	\$2,668	<i>\$0.45</i>
AVERAGES PER MILE OF ROAD		
Operating revenues	\$36,701.69	\$572.25
Operating expenses.....	27,505.77	<i>2,102.71</i>
Net operating revenue.....	\$9,195.92	<i>\$1,530.46</i>
Freight revenue.....	\$24,190.94	\$167.30
Passenger service train revenue.....	11,182.46	<i>677.72</i>
Ton miles revenue freight.....	1,889,067	18,073
Ton miles all freight.....	1,460,614	<i>17,561</i>
Passenger miles—revenue.....	306,738	<i>23,368</i>
Freight train miles.....	2,375	<i>359</i>
Passenger train miles.....	4,188	<i>179</i>
Mixed train miles.....	15	<i>4</i>
Special train miles.....	21	<i>1</i>
Train miles—total revenue.....	6,599	<i>541</i>
Work train miles.....	363	<i>11</i>
Locomotive miles—excluding work service.....	9,221	<i>667</i>
Freight service car miles (including mixed and special service).....†	107,843	2,593
Passenger service car miles (including mixed and special service).....	25,291	<i>92</i>

*Does not include Caboose Car Mileage.

**Includes Sleeping and Parlor Car surcharge.

† Includes "Exclusive work equipment."

Italics indicate decrease.

TRAFFIC AND OPERATING STATISTICS—Concluded

	Year Ended Dec. 31, 1928	Increase or Decrease
AVERAGES PER REVENUE TRAIN MILE		
Operating revenues.....	\$5.56	\$0.34
Operating expenses.....	4.17	0.02
Net operating revenue.....	\$1.39	\$0.32
Loaded freight car miles—freight trains.....	30.91	4.84
Loaded freight car miles—mixed trains.....	2.77	.20
Empty freight car miles—freight trains.....	13.37	2.04
Empty freight car miles—mixed trains.....	1.46	.20
Passenger train car miles—passenger trains.....	6.02	.23
Passenger train car miles—mixed trains.....	1.05	.09
AVERAGES PER REVENUE LOCOMOTIVE MILE		
Train miles—freight trains.....	.73	.06
Car miles—freight trains.....	33.25	2.60
Train miles—passenger trains.....	.93	.01
Car miles—passenger trains.....	5.97	.20
Train miles—mixed trains.....	.94	.01
Car miles—mixed trains.....	4.98	.08
Train miles—special trains.....	.92	.01
Car miles—special trains.....	5.45	.49
* LOCOMOTIVE MILEAGE		
Freight service.....	6,750,454	418,372
Passenger service.....	8,570,085	335,989
Mixed service.....	33,336	8,112
Special service.....	43,467	111
Train switching.....	552,516	56,703
Yard switching.....	3,250,939	572,969
Work service.....	839,364	4,304
Total locomotive miles.....	20,050,061	1,396,338
TRAIN MILEAGE		
Freight service.....	4,948,715	748,886
Passenger service.....	8,725,450	373,127
Mixed service**.....	31,485	7,821
Special service.....	42,985	1,061
Work service.....	755,339	21,056
Total train miles.....	14,503,974	1,107,717
CAR MILEAGE		
Freight-Train Car Miles:		
Loaded.....	152,975,528	4,613,220
Empty.....	66,145,466	1,571,993
Exclusive work equipment.....	229,608	74,984
Caboose.....	5,116,615	727,616
Total freight train car miles.....	224,167,217	5,382,613
Passenger-Train Car Miles:		
Passenger.....	24,818,930	1,184,809
Sleeping and parlor.....	6,664,526	39,059
Dining.....	341,711	23,724
Other.....	20,658,692	973,844
Total passenger-train car miles.....	52,483,859	195,630
Mixed-Train Car Miles:		
Freight—Loaded.....	87,250	13,612
Freight—Empty.....	45,833	3,684
Exclusive work equipment.....	13	908
Caboose.....	—	7,258
Passenger carrying.....	31,414	9,745
Other passenger.....	1,525	1,973
Total mixed-train car miles.....	166,035	37,180
Special-Train Car Miles:		
Freight service.....	69,220	13,920
Passenger service.....	170,910	7,785
Total special-train car miles.....	240,130	21,705
Total transportation service.....	277,357,241	5,171,508

* Includes 242,569 electric locomotive miles.

** Proportioned to Freight and Passenger Service, in computing Train Mile Statistics, on basis of freight and passenger car miles in mixed trains.

Italics indicate decrease.